

BEFORE THE
POSTAL RATE COMMISSION
WASHINGTON, D.C. 20268-0001

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POSTAL RATE AND FEE CHANGES, 1997)
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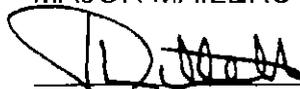
Docket No. R97-1

SECOND SET OF INTERROGATORIES
OF MAJOR MAILERS ASSOCIATION
TO UNITED STATES POSTAL SERVICE WITNESS
PHILIP A. HATFIELD (USPS-T-25)

Major Mailers Association asks the United States Postal Service to answer the following interrogatories pursuant to Rules 25 and 26 of the Commission's Rules of Practice and Procedure. In answering these interrogatories, the witness is requested to follow the General Instructions that are set forth in the Attachment to the First Set of Interrogatories to this witness. Requests for data or documents are to be interpreted in accordance with General Instructions G and H. If the designated witness is unable to respond to any interrogatory, the Postal Service is asked to redirect the question to another Postal Service witness who can answer it.

Respectfully submitted,

MAJOR MAILERS ASSOCIATION



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August 28, 1997

**MMA INTERROGATORIES TO USPS WITNESS
(Philip A. Hatfield: Set Two)**

MMA/USPS-T25-9.

Please refer to USPS-T-25, Appendix I, page 32, where you list the adjusted productivities that you use in your cost models.

Please provide the productivities for each operation prior to the adjustment (where you divided the base productivity by the percentage volume variability for each operation, as described on page 9 of USPS-T-25).

MMA/USPS-T25-10.

Please refer to USPS-T-25, Appendix V, p. 3. There you show the First-Class Mail Processing CRA Unit Cost Calculations by Cost Pool.

(A) Please confirm that the cost pools shown there were derived under the USPS proposed cost methodology that assumes that labor costs are not 100% variable with volume. If you cannot confirm, please explain.

(B) Please provide the cost pools and total shown there under the *current accepted cost methodology whereby labor costs are assumed to be 100 % variable with volume.*

MMA/USPS-T25-11.

Please refer to Exhibit USPS-T-25, p. 2. There you show that the First-Class Carrier Route Presort unit processing cost is 2.2910 cents. The source of this figure is LR H-106.

(A) Please confirm that this unit cost was derived under the USPS proposed cost methodology that assumes that labor costs are not 100%

variable with volume. If you cannot confirm, please explain.

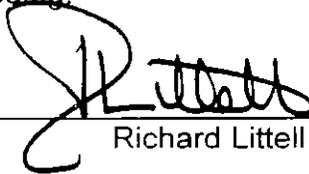
(B) Please provide this unit cost under the current accepted cost methodology whereby labor costs are assumed to be 100 % variable with volume.

**End of Set Two Interrogatories,
but please note
General Instructions For Answering)**

CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document, by First-Class Mail, upon the participants in this proceeding.

August 28, 1997


Richard Littell